

**RECREATION AND PARKS COMMISSION**  
of

Maryville, Alcoa, and Blount County  
Maryville, Tennessee

**FINANCIAL STATEMENTS**

For the Fiscal Year Ended June 30, 2009

# RECREATION AND PARKS COMMISSION

of

Maryville, Alcoa, and Blount County

Maryville, Tennessee

June 30, 2009

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**RECREATION AND PARKS COMMISSION**

of

Maryville, Alcoa, and Blount County

Maryville, Tennessee

**SECTION ONE**

**INTRODUCTORY SECTION**

**RECREATION AND PARKS COMMISSION**

of

Maryville, Alcoa, and Blount County

Maryville, Tennessee

**LIST OF PRINCIPAL OFFICERS**

June 30, 2009

**BOARD MEMBERS:**

Nelson Russell	Chairperson
Todd Davis	
Mark Hasty	
Leon Berrong	
Frank Cameron	
Clint Abbott	
Andy White	

Joe Huff	Executive Director
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**RECREATION AND PARKS COMMISSION**

of

Maryville, Alcoa, and Blount County

Maryville, Tennessee

**SECTION TWO**

**FINANCIAL SECTION**



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January 27, 2010

## INDEPENDENT AUDITORS' REPORT

Commissioners and Director  
Recreation and Parks Commission  
of Maryville, Alcoa, and Blount County  
Maryville, Tennessee

We have audited the accompanying financial statements of the governmental activities and each major fund, of the Recreation and Parks Commission of Maryville, Alcoa, and Blount County as of and for the year ended June 30, 2009 which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Recreation and Parks Commission of Maryville, Alcoa, and Blount County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Recreation and Parks Commission of Maryville, Alcoa, and Blount County as of June 30, 2009, and the respective changes in financial position and the respective budgetary comparisons for the General Fund, Equipment Replacement Fund, and Everett Equipment Replacement Fund and the changes in fund balance – General Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report, dated January 27, 2010, on our consideration of the Recreation and Parks Commission of Maryville, Alcoa, and Blount County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in conjunction with this report in considering the results of

our audit.

The management's discussion and analysis, immediately following this letter, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying information listed as supplemental information in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*Ingram, Overholt & Bean, PC*



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January 27, 2010

Our discussion and analysis of the Recreation and Parks Commission of Maryville, Alcoa, and Blount County's financial performance provides an overview of the Commission's activities for the year ended June 30, 2009.

## USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the Commission as a whole and present a long-term view of the Commission's finances.

## THE STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES

One of the most important questions asked about the Commission's finances is "Is the Commission better off or worse off as a result of this year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Commission and about its activities that help answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities report the Commission's net assets and changes in them, respectively. You can think of the Commission's net assets – the difference between assets and liabilities – as one way to measure the Commission's financial health, or financial position. Over time, increases or decreases in the Commission's net assets are one indicator of whether its financial health is improving or deteriorating.

## FINANCIAL HIGHLIGHTS

The operations of the Recreation and Parks Commission of Maryville, Alcoa, and Blount County are primarily funded as follows:

	<u>2009</u>	<u>2008</u>
Governmental appropriations – from Maryville, Alcoa and Blount County, Tennessee	64%	62%
Concessions	5%	5%
Pool admissions	8%	7%
Recreational programs	19%	20%
Facility rental	2%	2%
Other	2%	4%
Total funding	<u>100%</u>	<u>100%</u>

Operational costs for the Commission were \$2,631,090 and \$2,637,337 for the fiscal years ended June 30, 2009 and 2008 respectively.

## NET ASSETS

The analysis below focuses on the net assets and changes in net assets of the Commission:

	<u>2009</u>	<u>2008</u>
Current assets	\$ 1,060,973	\$ 866,280
Capital assets, net	<u>176,956</u>	<u>209,636</u>
Total Assets	<u>1,237,929</u>	<u>1,075,916</u>
Current liabilities	175,456	169,408
Long-term liabilities	<u>52,608</u>	<u>48,315</u>
Total Liabilities	<u>228,064</u>	<u>217,723</u>
Net Assets:		
Invested in capital assets, net	176,956	209,636
Restricted	219,636	222,326
Unrestricted	<u>613,273</u>	<u>426,231</u>
Total Net Assets	<u>\$ 1,009,865</u>	<u>\$ 858,193</u>

Net assets of the Commission increased 17.67% during the current year. Unrestricted net assets, the part of the net assets that can be used to finance day-to-day operations, increased by 43.88%.

## FINANCIAL RATIOS

The ratios of Working Capital and Days Cash demonstrate the continuing ability to finance operations with cash. The stability of the current ratio and the liabilities to net assets ratio demonstrate that the Commission has not financed its working capital and days cash with an increased proportion of debt. The following is a related schedule of ratios:

	<u>2009</u>	<u>2008</u>
Working Capital (the amount by which current assets exceed current liabilities)	\$ 885,517	\$ 696,872
Current Ratio (compares current assets to current liabilities – as an indicator of the ability to pay current obligations)	6.05	5.11
Days Cash and Investments (represents the the number of days normal operations could continue with no revenue collections)	151.4	116.9

## CAPITAL ASSETS

At the fiscal year ended June 30, 2009, the Commission had \$176,957 invested in capital assets as outlined below (a 16% decrease from the prior year):

Depreciable:	<u>2009</u>	<u>2008</u>
Equipment:		
Administration	\$ 261,946	\$ 256,210
Concession equipment	23,581	23,581
Pool equipment	16,473	16,473
Senior citizens center	72,831	72,831
Maintenance	334,074	328,781
Everett Center	40,770	40,770
Martin Luther King Center	<u>22,225</u>	<u>22,525</u>
Total Capital Assets	772,200	761,171
Accumulated Depreciation	<u>(595,243)</u>	<u>(551,535)</u>
Net Capital Assets	<u>\$ 176,957</u>	<u>\$ 209,636</u>

## DEBT

At the fiscal year end, the Commission had no debts payable. However, the Commission has a commitment to Blount County, Tennessee for \$400,500 due 2026. During the next year, the Commission plans to continue equipment replacement. During the current year, several equipment items were purchased as well as an extension to the main office was constructed and furnished.

## BUDGETS

The variances between the originally adopted budget for the fiscal year ended June 30, 2009, and the final budget were caused by increased participation in recreational programs, youth football, and soccer. Other categories were amended as deemed necessary by the Board of Directors.

## CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens with a general view of the Commission's finances and to show the Commission's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Director of the Recreation and Parks Commission of Maryville, Alcoa, and Blount County, 316 S. Everett High Road, Maryville, TN 37804.



Joe Huff  
Executive Director

**RECREATION AND PARKS COMMISSION**

of

Maryville, Alcoa, and Blount County

Maryville, Tennessee

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

June 30, 2009

**RECREATION AND PARKS COMMISSION**  
of  
Maryville, Alcoa, and Blount County  
Maryville, Tennessee  
**STATEMENT OF NET ASSETS**  
June 30, 2009

<u>ASSETS</u>	<u>Governmental Activities</u>
Current Assets:	
Cash in bank .....	\$ 841,195
Certificates of Deposit.....	201,358
Inventory .....	<u>18,420</u>
Total Current Assets .....	1,060,973
 Depreciable Capital Assets, net of depreciation .....	 <u>176,956</u>
 Total Assets.....	 <u>\$ 1,237,929</u>
 <u>LIABILITIES AND NET ASSETS</u>	
Liabilities:	
Current Liabilities:	
Accounts payable.....	\$ 84,643
Accrued payroll .....	55,649
Accrued expenses .....	27,689
Deferred revenue .....	<u>7,475</u>
Total Current Liabilities.....	<u>175,456</u>
 Long-term Liabilities:	
Compensated absences .....	<u>52,608</u>
 Total Liabilities .....	 <u>228,064</u>
Net Assets:	
Invested in capital assets.....	176,956
Unrestricted .....	613,273
Restricted for:	
Equipment replacement.....	198,250
Memorial trees.....	6,671
Eagleton Park Improvements.....	3,247
Everett Renovations .....	11,205
Blount County Appropriation for Grants to teams .....	 <u>263</u>
 Total Net Assets .....	 <u>1,009,865</u>
 Total Liabilities and Net Assets.....	 <u>\$ 1,237,929</u>

See accompanying independent auditors' report and notes.

**RECREATION AND PARKS COMMISSION**  
of  
Maryville, Alcoa, and Blount County  
Maryville, Tennessee  
**STATEMENT OF ACTIVITIES**  
June 30, 2009

	<u>Revenues</u>				Net (Expense) Revenue and Changes <u>Net Assets</u> Governmental <u>Activities</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Function/ Programs					
Governmental Activities:					
General and Administrative	\$ 1,860,752	\$ 52,175	\$ 1,771,612	\$ -	\$ (36,965)
Concessions	103,895	134,936	-	-	31,041
Pool Admissions	165,193	210,314	-	-	45,121
Recreational Programs	<u>501,250</u>	<u>534,115</u>	<u>21,500</u>	<u>-</u>	<u>54,365</u>
Totals	<u>\$ 2,631,090</u>	<u>\$ 931,540</u>	<u>\$ 1,793,112</u>	<u>\$ -</u>	<u>93,562</u>
General Revenues:					
Interest earned					4,070
Miscellaneous					<u>54,040</u>
Total General Revenues					<u>58,110</u>
Change in net assets					151,672
Net Assets – Beginning					<u>858,193</u>
Net Assets – Ending					<u>\$ 1,009,865</u>

See accompanying independent auditors' report and notes.

**RECREATION AND PARKS COMMISSION**

of

Maryville, Alcoa, and Blount County  
Maryville, Tennessee

**FUND FINANCIAL STATEMENTS**

June 30, 2009

**RECREATION AND PARKS COMMISSION**  
of  
Maryville, Alcoa, and Blount County  
Maryville, Tennessee  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
June 30, 2009

<u>ASSETS</u>	<u>General</u>	<u>Equipment Replacement Fund</u>	<u>Everett Equipment Replacement Fund</u>	<u>Total</u>
Cash in bank .....	\$ 730,735	\$ 84,214	\$ 26,246	\$ 841,195
Certificates of Deposit .....	113,568	87,790	-	201,358
Inventory .....	<u>18,420</u>	<u>-</u>	<u>-</u>	<u>18,420</u>
Total Assets.....	<u>\$ 862,723</u>	<u>\$ 172,004</u>	<u>\$ 26,246</u>	<u>\$ 1,060,973</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable.....	\$ 84,643	\$ -	\$ -	\$ 84,643
Accrued payroll .....	55,649	-	-	55,649
Accrued expenses .....	27,689	-	-	27,689
Deferred revenue .....	<u>7,475</u>	<u>-</u>	<u>-</u>	<u>7,475</u>
Total Liabilities .....	<u>175,456</u>	<u>-</u>	<u>-</u>	<u>175,456</u>
Fund Balance:				
Undesignated, unreserved.....	<u>665,881</u>	<u>-</u>	<u>-</u>	<u>665,881</u>
Designated for:				
Equipment replacement.....	-	172,004	26,246	198,250
Memorial trees .....	6,671	-	-	6,671
Eagleton Park Improvements.....	3,247	-	-	3,247
Everett Renovations .....	11,205	-	-	11,205
Blount County Appropriations for Grants to teams .....	<u>263</u>	<u>-</u>	<u>-</u>	<u>263</u>
Total Designated.....	<u>21,386</u>	<u>172,004</u>	<u>26,246</u>	<u>219,636</u>
Total Fund Balance.....	<u>687,267</u>	<u>172,004</u>	<u>26,246</u>	<u>885,517</u>
Total Liabilities and Fund Balance .....	<u>\$ 862,723</u>	<u>\$ 172,004</u>	<u>\$ 26,246</u>	<u>\$ 1,060,973</u>

See accompanying independent auditors' report and notes.

**RECREATION AND PARKS COMMISSION**  
of  
Maryville, Alcoa, and Blount County  
Maryville, Tennessee  
**RECONCILITATION OF THE BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
June 30, 2009

Fund balances – total governmental funds	\$ 885,517
Amounts reported for the governmental activities in the statement of net assets are different because:	
Capital assets, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	176,956
Compensated absences are not due and payable in the current period, and, therefore, are not reported in the governmental funds	<u>(52,608)</u>
Net assets of governmental activities	<u>\$ 1,009,865</u>

See accompanying independent auditors' report and notes.

**RECREATION AND PARKS COMMISSION**  
of  
Maryville, Alcoa and Blount County  
Maryville, Tennessee  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**GOVERNMENT FUNDS**  
For the Fiscal Year ended June 30, 2009

	<u>General</u>	Equipment Replacement <u>Fund</u>	Everett Equipment Replacement <u>Fund</u>	<u>Total</u>
Revenues:				
Government appropriations.....	\$ 1,771,612	\$ -	\$ -	\$ 1,771,612
Concessions .....	134,936	-	-	134,936
Pool Admissions .....	210,314	-	-	210,314
Program Revenue .....	534,115	-	-	534,115
Facility rental .....	52,175	-	-	52,175
Other revenues .....	52,040	2,000	-	54,040
Grant – Office on Aging .....	21,500	-	-	21,500
Interest.....	-	3,463	607	4,070
Total Revenues .....	<u>2,776,692</u>	<u>5,463</u>	<u>607</u>	<u>2,782,762</u>
Expenditures:				
Concessions .....	103,895	-	-	103,895
Pools.....	165,193	-	-	165,193
Program expenditures .....	501,250	-	-	501,250
General and administrative.....	1,742,784	-	-	1,742,784
Capital Outlay .....	920	31,760	-	32,680
Total Expenditures .....	<u>2,514,042</u>	<u>31,760</u>	<u>-</u>	<u>2,545,802</u>
Excess (Deficiency) of Revenues Over Expenditures.....	<u>262,650</u>	<u>(26,297)</u>	<u>607</u>	<u>236,960</u>
Other Financing Sources (Uses):				
Operating transfers .....	<u>(23,000)</u>	<u>20,000</u>	<u>3,000</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses ....	239,650	(6,297)	3,607	236,960
Fund Balance – July 1 <sup>st</sup> .....	<u>447,617</u>	<u>178,301</u>	<u>22,639</u>	<u>648,557</u>
Fund Balance – June 30 <sup>th</sup> .....	<u>\$ 687,267</u>	<u>\$ 172,004</u>	<u>\$ 26,246</u>	<u>\$ 885,517</u>

See accompanying independent auditors' report and notes.

**RECREATION AND PARKS COMMISSION**  
of  
Maryville, Alcoa, and Blount County  
Maryville, Tennessee  
**RECONCILITATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES**  
For the Year Ended June 30, 2009

Net change in fund balances – total governmental funds	\$ 236,960
--------------------------------------------------------	------------

Amounts reported for the governmental activities in the statement of activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	(32,680)
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Expenses related to compensated absences are recorded in the statement of activities, but do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	<u>(52,608)</u>
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Changes in net assets of governmental activities	<u><u>\$ 151,672</u></u>
--------------------------------------------------	--------------------------

See accompanying independent auditors' report and notes.

**RECREATION AND PARKS COMMISSION**

of

Maryville, Alcoa, and Blount County  
Maryville, Tennessee

**GENERAL FUND**

June 30, 2009

**RECREATION AND PARKS COMMISSION**  
of  
Maryville, Alcoa, and Blount County  
Maryville, Tennessee  
**GENERAL FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES -**  
**COMPARED TO BUDGET**  
For the Fiscal Year Ended June 30, 2009

	<u>Budget</u>		<u>Actual</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
<b>APPROPRIATIONS:</b>				
City of Maryville.....	\$ 641,374	\$ 641,374	\$ 641,374	\$ -
City of Alcoa.....	460,185	460,185	460,185	-
Blount County.....	670,053	670,053	670,053	-
Total Appropriations .....	<u>1,771,612</u>	<u>1,771,612</u>	<u>1,771,612</u>	<u>-</u>
<b>CONCESSIONS:</b>				
Everett Park .....	15,750	11,668	11,668	-
Everett Football Field .....	20,000	21,436	21,436	-
Everett Recreation Center .....	9,000	7,222	7,222	-
Sandy Springs Park .....	13,125	13,677	13,677	-
Springbrook Park .....	4,000	321	321	-
John Sevier Pool.....	17,500	17,113	17,113	-
Springbrook Pool .....	39,000	62,635	62,635	-
Vending .....	1,500	864	864	-
Total Concessions .....	<u>119,875</u>	<u>134,936</u>	<u>134,936</u>	<u>-</u>
<b>POOL ADMISSIONS:</b>				
John Sevier Pool.....	58,675	69,108	69,108	-
Springbrook Pool .....	<u>122,000</u>	<u>141,206</u>	<u>141,206</u>	<u>-</u>
Total Pool Admissions.....	<u>180,675</u>	<u>210,314</u>	<u>210,314</u>	<u>-</u>
<b>RECREATIONAL PROGRAM INCOME:</b>				
Swim Team.....	12,500	18,010	18,010	-
Learn to Swim.....	10,000	11,696	11,696	-
Adult Softball.....	100,250	77,793	77,793	-
Smoky Mountain Classic .....	55,300	40,656	40,656	-
Tennis .....	11,500	14,580	14,580	-
Therapeutics.....	2,400	2,102	2,102	-
Recreation programs.....	14,750	15,968	15,968	-
Adult Basketball.....	15,725	9,158	9,158	-
Youth Basketball.....	35,825	41,078	41,078	-
Adult Volleyball.....	7,650	9,450	9,450	-
Soccer Camp.....	1,300	1,616	1,616	-
Youth Performing Arts .....	3,375	1,469	1,469	-
Volleyball Camp .....	2,625	2,022	2,022	-
Environmental Camp.....	1,900	1,613	1,613	-
Spring Arts & Craft Show.....	3,225	2,240	2,240	-

(Continued)

See accompanying independent auditors' report and notes.

**RECREATION AND PARKS COMMISSION**  
of  
Maryville, Alcoa, and Blount County  
Maryville, Tennessee  
**GENERAL FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES -**  
**COMPARED TO BUDGET (Continued)**  
For the Fiscal Year Ended June 30, 2009

	<u>Budget</u>		<u>Actual</u>	<u>Variance -</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>RECREATIONAL PROGRAM INCOME</b>				
<b>(CONTINUED):</b>				
Basketball Camp .....	2,000	3,750	3,750	-
Youth Football Camp .....	4,500	4,416	4,416	-
Youth Soccer Pictures.....	11,625	15,476	15,476	-
Christmas Basketball Tournament.....	1,300	1,976	1,976	-
Youth Football .....	23,050	4,050	46,937	42,887
Youth Soccer .....	56,250	67,560	67,560	-
Day Camp.....	7,175	7,334	7,334	-
Kiddie Korner .....	16,900	17,955	17,955	-
Everett Park Adult Center .....	11,000	36,743	36,743	-
Road races .....	19,225	21,954	21,954	-
Special Events.....	27,500	40,835	40,835	-
Fishing Derby .....	2,500	3,290	3,290	-
Halloween Fun.....	2,350	2,237	2,237	-
Dog Obedience.....	2,100	1,360	1,360	-
Preschool Programs.....	13,375	12,841	12,841	-
Total Recreational Program Income ....	<u>479,175</u>	<u>491,228</u>	<u>534,115</u>	<u>42,887</u>
<b>FACILITY RENTAL:</b>				
Springbrook Gym rental .....	9,000	9,430	9,430	-
Martin Luther King Center rental .....	9,000	7,443	7,443	-
Pavilion rental .....	18,000	17,340	17,340	-
Everett Gym rental .....	10,475	14,587	14,587	-
Hometown Christmas .....	3,300	3,375	3,375	-
Total Facility Rental .....	<u>49,775</u>	<u>52,175</u>	<u>52,175</u>	<u>-</u>
<b>OTHER REVENUES:</b>				
Miscellaneous .....	5,000	11,880	13,386	1,506
Utility reimbursements .....	30,000	32,445	32,445	-
Marketing .....	7,500	6,209	6,209	-
Total Other Revenues .....	<u>42,500</u>	<u>50,534</u>	<u>52,040</u>	<u>1,506</u>
GRANT REVENUE.....	<u>21,975</u>	<u>21,500</u>	<u>21,500</u>	<u>-</u>
TOTAL REVENUES .....	<u>2,665,587</u>	<u>2,732,299</u>	<u>2,776,692</u>	<u>44,393</u>
<b>EXPENDITURES:</b>				
<b>RECREATIONAL PROGRAMS</b>				
Day Camp.....	5,100	5,028	5,028	-
Swim Team.....	6,200	5,650	5,650	-
Adult Softball.....	93,200	60,745	58,656	2,089
Smoky Mountain Classic .....	32,700	34,259	34,259	-
Tennis.....	10,200	12,822	12,822	-
Spring Sprint.....	3,125	2,536	2,536	-

(Continued)

See accompanying independent auditors' report and notes.

**RECREATION AND PARKS COMMISSION**  
of  
Maryville, Alcoa, and Blount County  
Maryville, Tennessee  
GENERAL FUND  
STATEMENT OF REVENUES AND EXPENDITURES -  
COMPARED TO BUDGET (Continued)  
For the Fiscal Year Ended June 30, 2009

	<u>Budget</u>		<u>Actual</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<b>EXPENDITURES (CONTINUED):</b>				
<b>RECREATIONAL PROGRAMS (CONTINUED)</b>				
Recreation Programs.....	7,775	7,004	7,004	-
Reindeer Run .....	4,200	4,337	4,337	-
Triple Crown.....	8,475	7,234	7,234	-
Youth Performing Arts .....	2,175	890	890	-
Volleyball Camp .....	1,975	1,523	1,426	97
Environmental Camp .....	1,625	1,668	1,658	10
Arts and Craft Show .....	2,125	1,782	1,782	-
Christmas Basketball Tournament .....	300	326	326	-
Everett Senior Center.....	176,122	182,657	182,657	-
Soccer Camp .....	900	1,586	1,208	378
Basketball Camp .....	1,475	3,607	3,607	-
Youth Baseball.....	3,600	-	-	-
Adult Basketball.....	12,325	7,646	7,646	-
Adult Volleyball.....	3,550	3,436	3,436	-
Youth Football .....	28,300	46,421	46,421	-
Supervised Gym.....	3,550	2,070	1,776	294
Learn to swim .....	7,400	6,706	6,706	-
Therapeutics.....	3,400	3,151	2,803	348
Youth Basketball.....	23,375	20,669	20,669	-
Youth Soccer.....	25,500	23,914	23,914	-
Special Events .....	24,500	27,827	27,827	-
Hometown Christmas .....	3,250	2,388	2,388	-
Kiddie Korner .....	12,525	11,788	11,788	-
Fishing Derby.....	1,350	1,059	1,059	-
Halloween Fun .....	1,350	1,303	1,303	-
Dog Obedience.....	1,375	-	-	-
Preschool Program .....	8,200	12,434	12,434	-
Total Recreational Programs .....	<u>521,222</u>	<u>504,466</u>	<u>501,250</u>	<u>3,216</u>
<b>POOL ADMISSIONS</b>				
John Sevier Pool.....	63,000	58,322	57,961	361
Alcoa Springbrook Pool.....	100,425	107,049	107,232	(183)
Total Pool Admissions .....	<u>163,425</u>	<u>165,371</u>	<u>165,193</u>	<u>178</u>
<b>CONCESSIONS</b>				
Everett Park Concessions .....	13,800	13,339	13,834	(495)
Sandy Springs Park Concessions .....	13,050	12,782	12,665	117
Springbrook Park Concessions .....	5,525	1,250	1,150	100
Everett Football Field Concessions.....	13,600	12,921	12,921	-
Everett Recreation Center Concessions.....	5,375	5,385	5,385	-
John Sevier Pool Concessions .....	14,175	14,516	14,776	(260)
Alcoa Springbrook Pool Concessions .....	32,500	43,279	43,164	115
Total Concessions.....	<u>98,025</u>	<u>103,472</u>	<u>103,895</u>	<u>(423)</u>

(Continued)

See accompanying independent auditors' report and notes.

**RECREATION AND PARKS COMMISSION**  
of  
Maryville, Alcoa, and Blount County  
Maryville, Tennessee  
**GENERAL FUND**  
**STATEMENT OF REVENUES AND EXPENDITURES -**  
**COMPARED TO BUDGET (Continued)**  
For the Fiscal Year Ended June 30, 2009

	<u>Budget</u>		<u>Actual</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<b>OTHER EXPENDITURES</b>				
Springbrook Recreation Center .....	100,300	96,108	96,108	-
Louisville Point Park .....	10,800	15,109	15,109	-
Everett Recreation Center .....	128,175	128,507	128,507	-
Parks' Maintenance .....	766,650	710,505	710,505	-
Administration .....	756,190	663,710	663,710	-
Marketing .....	15,500	21,645	21,645	-
Martin Luther King Center.....	77,300	79,200	79,200	-
Debt Retirement .....	28,000	28,000	28,000	-
Capital Outlay .....	-	920	920	-
Total Other Expenditures .....	<u>1,882,915</u>	<u>1,743,704</u>	<u>1,743,704</u>	<u>-</u>
 Total Expenditures .....	<u>2,665,587</u>	<u>2,517,013</u>	<u>2,514,042</u>	<u>2,971</u>
 EXCESS OF REVENUES OVER				
EXPENDITURES .....	<u>\$ -</u>	<u>\$ 215,286</u>	<u>\$ 262,650</u>	<u>\$ 47,364</u>

See accompanying independent auditors' report and notes.

**RECREATION AND PARKS COMMISSION**  
of  
Maryville, Alcoa, and Blount County  
Maryville, Tennessee  
**GENERAL FUND**  
**STATEMENT OF CHANGES IN FUND BALANCE**  
For the Fiscal Year Ended June 30, 2009

FUND BALANCE – July 1, 2008 .....	\$ 447,617
ADD: Excess of Revenues Over Expenditure (Page 16) .....	262,650
LESS: Operating transfers to Equipment	
Replacement Fund and Everett Equipment	
Replacement Fund .....	<u>(23,000)</u>
FUND BALANCE – June 30, 2009 .....	<u>\$ 687,267</u>

See accompanying independent auditors' report and notes.

**RECREATION AND PARKS COMMISSION**  
of  
Maryville, Alcoa, and Blount County  
Maryville, Tennessee  
**EQUIPMENT REPLACEMENT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN NET ASSETS – COMPARED TO BUDGET**  
For the Fiscal Year Ended June 30, 2009

	<u>Budget</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Interest on investments .....	\$ 3,463	\$ 3,463	\$ 3,463	\$ -
Sale of vehicle.....	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	
Total Revenues .....	<u>5,463</u>	<u>5,463</u>	<u>5,463</u>	
EXPENDITURES:				
Capital outlay .....	<u>31,760</u>	<u>31,760</u>	<u>31,760</u>	-
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES .....	(26,297)	(26,297)	(26,297)	-
OTHER FINANCING SOURCES (USES):				
Operating transfer from General Fund .....	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	-
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES....	(6,297)	(6,297)	(6,297)	
FUND BALANCE – JULY 1, 2008 .....	<u>178,301</u>	<u>178,301</u>	<u>178,301</u>	-
FUND BALANCE – JUNE 30, 2009 .....	<u>\$ 172,004</u>	<u>\$ 172,004</u>	<u>\$ 172,004</u>	<u>\$ -</u>

See accompanying independent auditors' report and notes.

**RECREATION AND PARKS COMMISSION**  
of  
Maryville, Alcoa, and Blount County  
Maryville, Tennessee  
**EVERETT EQUIPMENT REPLACEMENT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE – COMPARED TO BUDGET**  
For the Fiscal Year Ended June 30, 2009

	<u>Budget</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Interest on investments .....	\$ 607	\$ 607	\$ 607	\$ -
EXPENDITURES – Capital Outlay.....	-	-	-	-
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES .....	607	607	607	-
OTHER FINANCING SOURCES (USES):				
Operating transfer from General Fund.....	3,000	3,000	3,000	-
EXCESS (DEFICIT) OF REVENUES AND SOURCES OVER EXPENDITURES EXPENDITURES AND OTHER USES....	3,607	3,607	3,607	-
FUND BALANCE – JULY 1, 2008 .....	22,639	22,639	22,639	-
FUND BALANCE – JUNE 30, 2009 .....	<u>\$ 26,246</u>	<u>\$ 26,246</u>	<u>\$ 26,246</u>	<u>\$ -</u>

See accompanying independent auditors' report and notes.

**RECREATION AND PARKS COMMISSION**  
of  
Maryville, Alcoa, and Blount County  
Maryville, Tennessee  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2009

**NOTE 1 – GENERAL INFORMATION:**

The Recreation and Parks Commission of Maryville, Alcoa, and Blount County was created on January 1, 1970, by an agreement executed by the three participating government entities. A similar, updated agreement was signed by the governments on July 1, 1987. The Commission is responsible for providing recreation services and maintaining facilities for all three governments. The Commission is governed by a seven-member board comprised of two members each from the three governments and one member appointed at-large. Each board commissioner serves a four-year term. The Commission employs a Director and staff to plan and coordinate recreation programs. Financial support for the Commission is provided by recreation program revenues and by annual appropriations from Blount County and the Cities of Maryville and Alcoa.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**A. REPORTING ENTITY**

The Commission is a joint venture between the three participating governments as permitted by the Tennessee Code Annotated 12-9-101 and 11-24-101, the Inter-Local Cooperation Act. The Administration Board is responsible for hiring an Executive Director. The Commission operates under its own by-laws and employees are governed under a personnel policy manual and job classification system. The Commission maintains parks and facilities owned by the three participating entities, which have an ongoing financial responsibility for the maintenance of those properties.

**B. BASIS OF PRESENTATION**

*Government – wide Financial Statements:*

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

*Fund Financial Statements:*

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses.

(Continued)

**RECREATION AND PARKS COMMISSION**  
of  
Maryville, Alcoa, and Blount County  
Maryville, Tennessee  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2009

**NOTE 1 – GENERAL INFORMATION (Continued):**

**B. BASIS OF PRESENTATION (Continued)**

*Fund Financial Statements (Continued):*

Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Commission or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.
- c. Any fund which government officials believe is important. The Commission considers all funds as major funds.

The funds of the financial reporting entity are described below:

**Governmental Funds**

*General Fund*

The General Fund is the primary operating fund of the Commission and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

*Capital Project Funds*

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital assets.

(Continued)

**RECREATION AND PARKS COMMISSION**  
of  
Maryville, Alcoa, and Blount County  
Maryville, Tennessee  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2009

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**B. BASIS OF PRESENTATION (Continued)**

**Major and Nonmajor Funds**

The funds are further classified as major or non-major as follows:

<u>Major Fund:</u>	<u>Brief Description</u>
General	It is used to account for all activities except those legally or administratively required to be accounted for in other funds.
Capital Project Funds:	
Equipment Replacement Fund	It is funded annually by the General Fund to enable the Commission to replace large equipment items on a timely basis.
Everett Equipment Replacement Fund	It is funded annually by the General Fund to enable the Commission to replace the large equipment items at the Everett facilities on a timely basis.

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

**Measurement Focus**

On the government-wide Statement of Net Assets and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as follows:

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

(Continued)

**RECREATION AND PARKS COMMISSION**  
of  
Maryville, Alcoa, and Blount County  
Maryville, Tennessee  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2009

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)**

**Basis of Accounting**

In the government-wide Statement of Net Assets and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectively within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

**D. ASSETS, LIABILITIES, AND EQUITY**

**Cash and Cash Equivalents**

The Commission considers all highly liquid investments (Certificates of Deposit) with an original maturity of three months or less, at date of acquisition, to be cash equivalents.

**Interfund Receivables and Payables**

During the course of operations, transactions may occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Short-term interfund loans are reported as “interfund receivables and payables.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

**Fixed Assets**

The accounting treatment used for property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements

*Government-wide Statements*

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 2003.

(Continued)

**RECREATION AND PARKS COMMISSION**  
of  
Maryville, Alcoa, and Blount County  
Maryville, Tennessee  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2009

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**D. ASSETS, LIABILITIES, AND EQUITY (Continued)**

**Fixed Assets (Continued)**

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. This range of estimated useful lives by type of assets is as follows:

Machinery and Equipment	05 – 10 years
-------------------------	---------------

*Fund Financial Statements*

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

**Inventory**

Inventory of supplies and materials is valued using the consumption method for recording inventory (first-in, first-out basis).

**Equity Classifications**

*Government-wide Statements*

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Equity is classified as net assets and displayed in three components:

- b. Restricted net assets – consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

*Fund Statements*

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

(Continued)

**RECREATION AND PARKS COMMISSION**  
of  
Maryville, Alcoa, and Blount County  
Maryville, Tennessee  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2009

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**E. REVENUES, EXPENDITURES, AND EXPENSES**

**Revenues and Expenses**

Revenues and expenses include all items not related to capital and related financing, noncapital financing, or investing activities.

**Expenditures/Expenses**

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character:	Current (further classified by function)
	Debt Service
	Capital Outlay

In the fund financial statements, governmental funds report expenditures of financial resources.

**Interfund Transfers**

Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

**F. BUDGETARY ACCOUNTING**

At least forty-five (45) days before the beginning of the budgetary fiscal year, the Executive Director submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following July 1<sup>st</sup>. The operating budget includes proposed expenditures and the means of financing them. Prior to July 1<sup>st</sup>, the budget is legally enacted. The Executive Director is authorized to transfer appropriations between departments of any fund without the approval of the Board of Commissioners. However, any revisions that alter the total expenditures of any fund and all other budget amendments must be approved by the Board of Commissioners. Formal budgetary integration is employed as a management control device during the year for the General Fund, Equipment Replacement Fund, and Everett Equipment Replacement Fund. Budgets for the General Fund, Equipment Replacement Fund, and Everett Equipment Replacement Fund are adopted on a basis consistent with generally accepted accounting principles.

**G. USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent

(Continued)

**RECREATION AND PARKS COMMISSION**  
of  
Maryville, Alcoa, and Blount County  
Maryville, Tennessee  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):**

**G. USE OF ESTIMATES (Continued)**

assets and liabilities at the date of the financial statements and the reported amounts of revenues and expense during the reporting period. Actual results could differ from those estimates.

**NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:**

By its nature as a local governmental component unit, the Commission is subject to various federal, state, and local laws and contractual regulations. An analysis of the Commission's compliance with significant laws and regulations and demonstration of its stewardship over the Commission's resources follows:

**A. FUND ACCOUNTING REQUIREMENTS**

The Commission complies with all state and local laws and regulations requiring the use of separate funds. There are no legally required funds used by the Commission.

**B. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS**

In accordance with state law, all deposits of municipal funds in financial institutions must be federally insured or secured with acceptable collateral.

**C. FUND EQUITY RESTRICTIONS**

**Deficit Prohibition**

State of Tennessee Statutes prohibits the creation of a deficit fund balance in any individual fund. The Commission complied with this statute in all material respects for the year ended June 30, 2009.

**NOTE 4 – CASH:**

Total cash with a carrying value of \$1,042,553 at June 30, 2009, is summarized as follows:

<u>Type</u>	<u>Amount</u>
Petty cash – office, pools, concessions .....	\$ 2,323
Local financial institutions:	
Checking accounts (Varies) .....	551,810
Savings accounts (0.75% to 1.15%).....	287,061
Certificate of Deposit -	
(2.75% maturing 04/17/10) .....	73,181
(5% maturing 09/18/09).....	40,387
(2.75% maturing 04/17/10) .....	48,455
(2% maturing 10/28/09).....	<u>39,336</u>
Total Cash and Investments .....	<u>\$ 1,042,553</u>

As of June 30, 2009, total cash on deposit in four financial institutions includes deposits insured up to \$250,000 by either the Federal Deposit Insurance Corporation, the Mutual Guaranty Corporation, or by the Tennessee Bank Collateral Pool.

(Continued)

**RECREATION AND PARKS COMMISSION**  
of  
Maryville, Alcoa, and Blount County  
Maryville, Tennessee  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2009

**NOTE 5 – LEASES:**

Effective April 1, 1999, the Commission leased a warehouse and storage building located on Evan Circle, Maryville, Tennessee, for use in storing supplies and maintenance items. The Commission is continuing to lease the facility for \$700 per month.

**NOTE 6 – VACATION AND SICK LEAVE:**

Vacation leave, computed as of January 1<sup>st</sup> each year based on preceding year, is as follows:

- (1) Less than one year, earned at 6.6 hours per month.
- (2) From one through six years of completed continuous service, 10 days vacation.
- (3) After completion of seven years of continuous service, 15 days vacation.
- (4) After completion of fourteen years of continuous service, 20 days vacation.

Employee sick leave accumulates at the rate of one day per month. Employees are allowed to trade one (1) day of vacation for every two (2) accumulated sick days over 90 days. Resigned or dismissed employees lose all accrued sick leave credit and are not paid for accrued sick leave; therefore, sick pay is not recorded as an expenditure until paid.

An employee may “carry over” into the next calendar year any unused, accrued vacation leave subject to approval. The “carry over” and unused accrued vacation is subject to a maximum of 25 days.

The Commission accounts for compensated absences in conformity with the *Governmental Accounting Standards Board (GASB) Statement Number 16*, whereby a liability is accrued for the amounts employees are entitled to receive for future absences. The liability as of June 30, 2009 is \$52,608.

**NOTE 7 – EMPLOYEES’ RETIREMENT PLAN:**

During the fiscal year under examination, certain employees of the Commission were member of the Tennessee Consolidated Retirement System (TCRS). The TCRS is a defined benefit retirement plan covering general employees and teachers of the State, as well as employees of political subdivisions that have elected coverage. Benefits are determined by a formula using the high five-year average salary and years of service of each employee.

Contributions to the system are determined on an actuarial reserve basis and provide funding for both normal and supplemental liability costs. The frozen initial liability method, a projected benefit cost method, is used to value the plan. All supplemental liabilities are amortized over a 40-year period which began July 1, 1975 (or the political subdivision’s date of participation, if later). The supplemental liability for the basic benefits and cost-of-living benefits is amortized as a level dollar amount. It is the policy of the plan to fund pension costs accrued.

Political subdivisions, such as the Commission, participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan.

(Continued)

**RECREATION AND PARKS COMMISSION**  
of  
Maryville, Alcoa, and Blount County  
Maryville, Tennessee  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2009

**NOTE 7 – EMPLOYEES’ RETIREMENT PLAN (Continued):**

For the year ended June 30, 2009, the Commission contributed \$34,592 to the plan.

An actuarial valuation is made every two years, the most recent having been completed June 30, 2007. For valuation purposes, equities were valued based on a five-year moving market average, while debt securities are valued at amortized costs.

An experience study of the system is conducted every four years, the most recent as of June 30, 2008. The 2008 valuation was conducted using assumptions that resulted from the June 30, 2004 study.

Amounts pertaining to the supplemental liability for the pension plan and accumulated assets in the plan, and the actuarially computed present value of vested benefits in excess of net assets of the pension fund, are not identifiable for the Commission.

**NOTE 8 – RISK FINANCING ACTIVITIES:**

It is the policy of the Commission to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property and casualty, worker’s compensation, and employee health and accident. Settled claims have not exceeded this commercial coverage in any of the past three (3) fiscal years.

**NOTE 9 – COMMITMENTS:**

During the fiscal year ended June 30, 1998, Blount County, Tennessee, borrowed \$275,000 to finance the construction of an administrative office building for the Commission. In exchange, the Commission will make annual payments to Blount County in amounts ranging from \$18,000 to \$33,000 (through June 2016, including interest at 5.81%) as follows:

Year ending <u>June 30,</u>	
2010	\$ 28,000
2011	28,000
2012	30,500
2013	30,500
2014	30,500
Subtotal	<u>147,500</u>
2015	33,000
2016	<u>33,000</u>
Subtotal	<u>66,000</u>
	<u>\$ 213,500</u>

(Continued)

**RECREATION AND PARKS COMMISSION**  
of  
Maryville, Alcoa, and Blount County  
Maryville, Tennessee  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2009

**NOTE 9 – COMMITMENTS:**

Neither the fixed assets (administrative office building) nor the \$275,000 borrowed by Blount County is reflected in the financial statements of the Commission since the Commission is a joint venture between the three participating governments who have a revisionary interest upon dissolution of the Commission.

**NOTE 10 – CAPITAL ASSETS**

A summary of capital assets and depreciation is as follows:

	<u>Balance</u> <u>7/1/08</u>	<u>Current</u> <u>Additions</u>	<u>Current</u> <u>Retirements/</u> <u>Reclassifications</u>	<u>Balance</u> <u>6/30/09</u>
<u>Depreciable Capital Assets:</u>				
Equipment:				
Administration	\$ 256,210	\$ 5,736	\$ -	\$ 261,946
Concessions Equipment	23,581	-	-	23,581
Pool Equipment	16,473	-	-	16,473
Senior Citizens Center	72,831	-	-	72,831
Maintenance	328,781	26,944	(21,651)	334,074
Everett Center	40,770	-	-	40,770
Martin Luther King Center	<u>22,525</u>	<u>-</u>	<u>-</u>	<u>22,525</u>
Total Capital Assets	761,171	32,680	(21,651)	772,200
Less Accumulated Depreciation	<u>(551,535)</u>	<u>(61,352)</u>	<u>17,644</u>	<u>(595,243)</u>
Net Capital Assets	<u>\$ 209,636</u>	<u>\$ (28,672)</u>	<u>\$ (4,007)</u>	<u>\$ 176,957</u>
<u>Accumulated Depreciation:</u>				
Equipment:				
Administration	\$ 193,226	\$ 18,937	\$ -	\$ 212,163
Concessions Equipment	19,684	545	-	20,229
Pool Equipment	10,815	945	-	11,760
Senior Citizens Center	42,753	10,014	-	52,767
Maintenance	222,684	30,752	(17,644)	235,792
Everett Center	39,848	159	-	40,007
Martin Luther King Center	<u>22,525</u>	<u>-</u>	<u>-</u>	<u>22,525</u>
	<u>\$ 551,535</u>	<u>\$ 61,352</u>	<u>\$ (17,644)</u>	<u>\$ 595,243</u>

**RECREATION AND PARKS COMMISSION**

Of

Maryville, Alcoa and Blount County  
Maryville, Tennessee

**SUPPLEMENTAL SCHEDULES**

June 30, 2009

**RECREATION AND PARKS COMMISSION**  
of  
Maryville, Alcoa, and Blount County  
Maryville, Tennessee  
GENERAL FUND – SCHEDULE OF EXPENDITURES  
June 30, 2009

	<u>Budget</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<b>RECREATIONAL PROGRAMS</b>				
Personnel expenses	\$ 171,395	\$ 177,642	\$ 174,426	\$ 3,216
Small equipment	9,575	3,978	3,978	-
Repairs and maintenance	20,650	13,595	13,595	-
Utilities and telephone	4,355	5,873	5,873	-
Dues	30,775	33,960	33,960	-
Travel	1,500	223	223	-
Supplies	<u>106,850</u>	<u>86,538</u>	<u>86,538</u>	<u>-</u>
Subtotal	<u>345,100</u>	<u>321,809</u>	<u>318,593</u>	<u>3,216</u>
<b>POOL ADMISSIONS</b>				
Personnel expenses	100,725	100,423	100,245	178
Repair and Maintenance	6,900	7,454	7,454	-
Chemicals and supplies	22,800	21,280	21,280	-
Utilities and telephone	<u>33,000</u>	<u>36,214</u>	<u>36,214</u>	<u>-</u>
Subtotal	<u>163,425</u>	<u>165,371</u>	<u>165,193</u>	<u>178</u>
<b>CONCESSIONS</b>				
Supplies	42,600	62,280	62,280	-
Personnel expenses	52,850	39,327	39,750	(423)
Small equipment/repairs	<u>2,575</u>	<u>1,865</u>	<u>1,865</u>	<u>-</u>
Subtotal	<u>98,025</u>	<u>103,472</u>	<u>103,895</u>	<u>(423)</u>
<b>OTHER EXPENDITURES</b>				
Springbrook Recreation Center				
Personnel expenses	70,000	71,518	71,518	-
Supplies	550	138	138	-
Repair and maintenance	4,000	1,293	1,293	-
Conferences and training	650	200	200	-
Utilities and telephone	<u>25,100</u>	<u>22,959</u>	<u>22,959</u>	<u>-</u>
Subtotal	<u>100,300</u>	<u>96,108</u>	<u>96,108</u>	<u>-</u>
Everett Adult Center				
Personnel expenses	137,097	137,358	137,358	-
Repairs and maintenance	4,500	4,347	4,347	-
Conference and training	825	397	397	-
Utilities	24,000	20,952	20,952	-
Postage	850	654	654	-
Printing/Programs	5,000	18,108	18,108	-
Office Supplies	<u>3,850</u>	<u>841</u>	<u>841</u>	<u>-</u>
	<u>176,122</u>	<u>182,657</u>	<u>182,657</u>	<u>-</u>

(Continued)

**RECREATION AND PARKS COMMISSION**  
of  
Maryville, Alcoa, and Blount County  
Maryville, Tennessee  
GENERAL FUND – SCHEDULE OF EXPENDITURES (Continued)  
June 30, 2009

	<u>Budget</u>			Variance
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
OTHER EXPENDITURES (Continued)				
Everett Recreation Center				
Personnel expenses	84,725	85,416	85,416	-
Supplies	2,500	450	450	-
Repair and maintenance	6,000	3,603	3,603	-
Conferences and training	1,250	500	500	-
Utilities and telephone	33,700	38,538	38,538	-
Subtotal	<u>128,175</u>	<u>128,507</u>	<u>128,507</u>	<u>-</u>
Martin Luther King Center				
Personnel expenses	60,250	62,303	62,303	-
Supplies	3,925	2,911	2,911	-
Repair and maintenance	2,825	2,950	2,950	-
Conferences and training	800	145	145	-
Utilities and telephone	9,500	10,891	10,891	-
Subtotal	<u>77,300</u>	<u>79,200</u>	<u>79,200</u>	<u>-</u>
Maintenance				
Personnel expenses	456,350	416,513	416,513	-
Supplies	21,250	22,573	22,573	-
Small equipment	23,200	22,276	22,276	-
Repair and maintenance	78,450	77,334	77,334	-
Conferences and training	3,100	560	560	-
Utilities and telephone	91,500	92,056	92,056	-
Rent	8,400	8,400	8,400	-
Insurance	84,400	70,793	70,793	-
Subtotal	<u>766,650</u>	<u>710,505</u>	<u>710,505</u>	<u>-</u>
Administration				
Personnel services	529,900	468,319	468,319	-
Insurance	163,840	139,813	139,813	-
Supplies	24,200	25,328	25,328	-
Utilities and telephone	23,350	23,629	23,629	-
Postage	5,000	4,281	4,281	-
Dues and publications	3,200	3,878	3,878	-
Conferences and training	9,500	5,071	5,071	-
Contract services	8,000	8,500	8,500	-
Marketing	15,500	21,645	21,645	-
Debt Retirement	28,000	28,000	28,000	-
Capital Outlay	-	920	920	-
Subtotal	<u>810,490</u>	<u>729,384</u>	<u>729,384</u>	<u>-</u>
Total Other Expenditures	<u>2,059,037</u>	<u>1,926,361</u>	<u>1,926,361</u>	<u>-</u>
Total Recreational Programs	<u>\$ 2,665,587</u>	<u>\$ 2,517,013</u>	<u>\$ 2,514,042</u>	<u>\$ 2,971</u>

**RECREATION AND PARKS COMMISSION**  
of  
Maryville, Alcoa, and Blount County  
Maryville, Tennessee  
**CAPTIAL ASSETS USED IN GOVERNMENTAL ACTIVITIES**  
**SCHEDULE OF GENERAL CAPITAL ASSETS**  
June 30, 2009

Depreciable Capital Assets:	
Equipment .....	<u>\$ 176,957</u>
 Investment in Capital Assets.....	 <u>\$ 176,957</u>

See accompanying independent auditors' report and notes.

**RECREATION AND PARKS COMMISSION**  
of  
Maryville, Alcoa, and Blount County  
Maryville, Tennessee  
**SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION**  
For the Fiscal Year Ended June 30, 2009

	<u>Capital Assets</u>			
	<u>Balance</u> <u>7/1/08</u>	<u>Current</u> <u>Additions</u>	<u>Current</u> <u>Retirements</u>	<u>Balance</u> <u>6/30/09</u>
Equipment:				
Administration .....	\$ 256,210	\$ 5,736	\$ -	\$ 261,946
Concessions Equipment.....	23,581	-	-	23,581
Pool Equipment.....	16,473	-	-	16,473
Senior Citizens Center.....	72,831	-	-	72,831
Maintenance.....	328,781	26,944	(21,651)	334,074
Everett Center .....	40,770	-	-	40,770
Martin Luther King Center .....	<u>22,525</u>	<u>-</u>	<u>-</u>	<u>22,525</u>
Totals .....	<u>\$ 761,171</u>	<u>\$ 32,680</u>	<u>\$ (21,651)</u>	<u>\$ 772,200</u>

Current additions are reflected as expenditures in the financial statements as follows:

Equipment Replacement Fund .....	\$ 31,760
General Fund.....	920
Everett Senior Center Equipment Replacement Fund .....	<u>-</u>
Total	<u>\$ 32,680</u>

See accompanying independent auditors' report and notes.

<u>Accumulated Depreciation</u>				<u>Net Book Value</u>
<u>Balance 7/1/08</u>	<u>Current Additions</u>	<u>Current Retirements/ Reclassifications</u>	<u>Balance 6/30/09</u>	
\$ 193,226	\$ 18,937	\$ -	\$ 212,163	\$ 49,783
19,684	545	-	20,229	3,352
10,815	945	-	11,760	4,713
42,753	10,014	-	52,767	20,064
222,684	30,752	(17,644)	235,792	98,282
39,848	159	-	40,007	763
<u>22,525</u>	<u>-</u>	<u>-</u>	<u>22,525</u>	<u>-</u>
<u>\$ 551,535</u>	<u>\$ 61,352</u>	<u>\$ (17,644)</u>	<u>\$ 595,243</u>	<u>\$ 176,957</u>

**RECREATION AND PARKS COMMISSION**  
of  
Maryville, Alcoa, and Blount County  
Maryville, Tennessee  
**SCHEDULE OF INSURANCE IN FORCE**  
June 30, 2009

<u>Insurance Company/Agency</u>	<u>Policy Number</u>	<u>Period</u>	<u>Description</u>
TML Risk Management Pool	TMP-0699	7-12-08 to 7-12-09	<p>\$50,000 Contents coverage at 80% co-insurance – Everett Rec. Center, 318 So. Everett High Road</p> <p>\$40,000 Contents coverage at 80% co-insurance – Bldgs. On Birchfield St., (Senior Citizens Center)</p> <p>\$65,000 Contents coverage at 80% co-insurance -Bldg. at 316 Everett High Rd.</p> <p>\$50,000 Contents coverage at 80% co-insurance - Bldg. at 614 Evan Cir.</p> <p>\$5,000 Contents coverage at 80% co-insurance – Bldg. on Dalton St.</p> <p>\$40,000 Contents coverage at 80% co-insurance – MLK Bldg. At 209 E. Franklin Street</p>
The Ohio Casualty Insurance Company/Crum & Blazer Insurance, Inc.	91383710	10-25-08 to 10-25-09	\$10,000 Surety Bond, Recreation and Parks Dir., Superintendent of Recreation, Accounting Technician, Assistant Director of Athletics and Secretary. Senior Citizens: Dir., Assistant Dir., and Clerk
Tennessee Municipal League Pool	TML-362	12-31-08 to 12-31-09	\$600,000 Public Officials Personal Liability; \$250,000 General Liability - Bodily Injury, Property Damage, Automobile
Tennessee Municipal League Pool	WC-0347	7-1-08 to 7-1-09	Statutory Workmen's Compensation

See accompanying independent auditors' report and notes.

**RECREATION AND PARKS COMMISSION**

of

Maryville, Alcoa, and Blount County  
Maryville, Tennessee

REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLAINTS AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

June 30, 2009



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January 27, 2010

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

Commissioners and Director  
Recreation and Parks Commission  
of Maryville, Alcoa, and Blount County  
Maryville, Tennessee

We have audited the financial statements of the governmental activities and each major fund of the Recreation and Parks Commission of Maryville, Alcoa, and Blount County as of and for the year ended June 30, 2009, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated January 27, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the Commission's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such as that there is more than a remote likelihood that a misstatement of the Commission's financial statements that is more than inconsequential will not be prevented or detected by the Commission's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Commission's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the governing body, Commission's management, and the State of Tennessee and is not intended to be and should not be used by anyone other than these specified parties.

*Ingram, Overholt & Bean, PC*